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Latin America Review

29 March 1979

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Second only to Fidel in the Cuban hierarchy, Raul is now in the sixth week of an enigmatic trip to the USSR, and to Bulgaria where he went unreported for nearly two weeks; he has now dropped out of sight entirely, raising further speculation as to the purpose of the visits. [REDACTED]

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Since the beginning of the year, the Cubans have undertaken yet another massive diplomatic campaign--especially in Africa--to line up support for the nonaligned summit meeting scheduled for Havana in September. [REDACTED]

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Peru: Strikes Create Government-Assembly

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If government leaders become convinced that the assembly's involvement in domestic politics is preventing it from making acceptable progress toward completion of the new constitution, the military could decide to postpone its plans for restoring civilian rule by 1980.
[redacted]

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Venezuela: Labor Unrest Ahead

[redacted] 18

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Increasing militancy among workers in both the public and private sectors, together with a variety of political and economic pressures, could precipitate a period of serious labor unrest.
[redacted]

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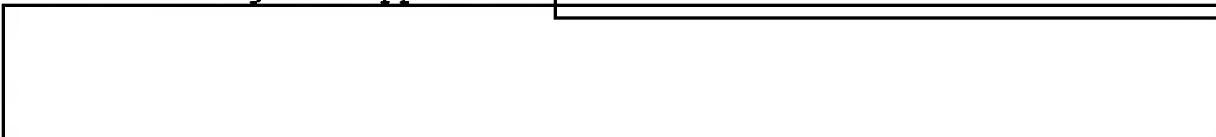
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Argentina: Government Strengthened, but Beset by Problems [redacted]

| 3
The government headed by President Videla and a three-man military junta has been strengthened by recent high-level Army command changes and by the Vatican's agreement in late January to mediate the Beagle Channel dispute with Chile. Even so, uncertainty over the outcome of the mediation effort, as well as unchecked inflation--which may provoke labor unrest--could create serious stresses within the government in the next few months. [redacted]

| 2
In December, when Argentina and Chile seemed close to hostilities over the Beagle Channel, Videla's handling of the situation set off a spate of coup rumors. Since then, Army Commander Viola has neutralized some of the government's harshest critics in the armed forces. First Corps Commander General Suarez Mason, an outspoken critic of the government, was named Army Chief of Staff--thus depriving him of a sensitive field command and placing him under the close scrutiny of General Viola. Two of the four corps commanders are now considered Videla-Viola loyalists. Another critic, Major General Santiago Omar Rivero, was reassigned to the Inter-American Defense Board. Further appointments have tightened Viola's control of key operational units.

| 2
| 3
Although the changes strengthen Viola's hand as well as Videla's, the Army Commander apparently is not a rival for power. He has privately announced his intention to retire from public life at the end of this year and in recent months has been the President's strongest supporter. [redacted]

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For the time being, at least, Videla's approach has been vindicated. It averted a war with a usually friendly neighbor that could have poisoned bilateral relations for generations. On the other hand, the mediation process, which will probably begin formally next month in Rome, is likely to be protracted, and a breakdown in the talks or an unsatisfactory outcome for the Argentines could pose dangers for Videla.

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/ 3 A compromise of some sort is the only realistic solution, but it would be likely to fall far short of the Argentine Government's inflated assurances. Should the mediation results be unacceptable to the military, or should the talks break down, Videla will come under severe criticism for not having taken military action in December. His failure to order the seizure of some of the disputed islands could still cost him his job.

/ 3 Another and perhaps more immediate problem for Videla is the economy. For the past three years, Argentina has had the world's highest rate of inflation--170 percent in 1978 and 21.1 percent for the first two months of this year. The depressed level of real wages has made organized labor increasingly restive. // Low consumer demand and concern that tariff reductions enacted earlier this year will disrupt Argentina's industrial growth and cause unemployment are prompting some business leaders to cooperate with labor in an attempt to force changes in economic policies. Some military officers may be encouraging these efforts.

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2, Videla's continued support of controversial Economy
Minister Martinez de Hoz could trigger a general strike
in the next month or so. General Viola is confident
5, 6 that the government can contain any labor unrest, but
strong repressive measures against union activists would
7, 8 worsen Argentina's reputation as one of the foremost
violators of human rights in South America and further
9 mobilize world opinion against the government. [redacted] 25X1
13 [redacted]

5, 10, 13 Although Videla seems inclined to grant Martinez
de Hoz more time to curb inflation, the combined pres-
sure of labor and industry could force the Economy Min-
ister's resignation in the next few months. Such a
change could do more harm than good because the absence
of any well-thought-out alternative to present policies
would exacerbate economic uncertainty and probably fur-
ther retard recovery. [redacted]

12, 14 A new trade union law now in preparation may help
the government ride out the storm. The law, which may
be promulgated within 90 days, could add a further meas-
ure of stability by granting greater trade union freedom
and promoting collective bargaining. [redacted] 25X1

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Cuba: Raul Castro's Extended Sojourn

Cuba's Raul Castro, second only to Fidel in the party, government, and military establishment, is now into the sixth week of an enigmatic trip abroad. He left Cuba on 20 February and arrived in Moscow early the following morning for an "official and friendly visit" at the invitation of Soviet Defense Minister Ustinov. He flew to Bulgaria on 1 March and remained in that country until 19 March, an unusually long stay for such an important official. Neither the press nor official announcements gave any accounting of his activities during almost two weeks of his visit. Moreover, since departing Bulgaria, he has dropped out of sight entirely, raising speculation that he may be visiting Angola, Ethiopia, South Yemen, or even Vietnam. Although official announcements acknowledge that he is heading a military delegation, only one person--his wife, Vilma Espin--has been identified by name as accompanying him.

Despite the air of mystery surrounding Raul's trip, it is safe to make several assumptions about at least part of his mission:

- His side visit to a Soviet space center lends credence to speculation that a Cuban "cosmonaut" will soon be involved in a joint space flight, most likely scheduled to coincide with the nonaligned summit in Havana in September, which is an occasion Havana probably believes to be propitious for bolstering Cuban prestige and underscoring the benefits of cooperating with Moscow.
- Judging from photographs of Raul and his party at various ceremonies in Moscow, his delegation included: Division General Abelardo Colome Ibarra, who oversees Cuban military operations abroad; Division General Arnaldo Ochoa Sanchez, who supervises Cuba's military

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presence in Ethiopia; Brigadier General Sixto Batista Santana, who played a major role in ousting the Somali armed forces from the Ogaden in Ethiopia; and Brigadier General Leopoldo Cintra Frias, who drew special honors at this year's 2 January military parade in Havana for his outstanding combat service in both Angola and Ethiopia. All four are members of the party Central Committee and two are deputy armed forces ministers. Their presence indicates that Cuba's long-term military commitments to Angola and Ethiopia--and possibly other areas--and Moscow's continuing support for these commitments were major points of discussion with the Soviets.

- Raul no doubt also made a pitch for more and newer Soviet military equipment. The display of Cuban armed might at this year's 2 January parade in Havana obviously pleased Raul and probably served to whet his appetite. He would be keen to get the Soviets to resume deliveries of the MIG-23, suspended after US protests last fall.
- Raul's disappearance from public view in Bulgaria may have been merely a short vacation. It follows a precedent set in early 1977 when, after arriving in Sofia, he dropped out of sight for about a week.
- Although Raul had arrived in Moscow only four days after China's thrust into Vietnam, that seems to be coincidental. While the subject was undoubtedly discussed, his visit appears to have been laid on some time ago.

In the USSR

Raul's visit to the USSR was full of camaraderie. The Soviets announced that he had been awarded the USSR's highest decoration, the Order of Lenin, "for his great merits in promoting and strengthening friendly relations between the armed forces of the USSR and the Revolutionary Armed Forces of the Republic of Cuba." On the first day of his visit, he met with Marshal Ustinov and other top

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Soviet military officials "to examine questions of reciprocal interest"; attended a luncheon Ustinov gave in his honor; presented flowers at Lenin's mausoleum; and placed a wreath at the tomb of the unknown soldier.

The following day, Raul was given the grand tour of Star City, outside Moscow, where he saw models of the Salyut and Soyuz space vehicles and chatted with two Cuban "cosmonauts" in training for a space flight. Raul regaled his audience with the story of how, in the dark days of 1957 when he and Fidel were waging the guerrilla war in the Sierra Maestra, the guerrillas saw the first Sputnik passing overhead. That evening, he and his delegation returned to Moscow to attend the ceremony marking the 61st anniversary of the founding of the Soviet armed forces.

On 23 February, Raul presented Premier Aleksey Kosygin with Cuba's Order of Jose Marti at a ceremony in the Kremlin. On the 24th he visited the Frunze Military Academy in Moscow and on the 27th he was presented with the Order of Lenin by party General Secretary Leonid Brezhnev. After the presentation, he conferred with Brezhnev and Ustinov about "current international events and the development and strengthening of cooperation between Cuba and the USSR."

Raul's visit to Star City drew prominent news coverage in Cuba. The Cuban press has long been generous in the attention it devotes to Soviet space activities, presumably anticipating the day when a Cuban would take part in a joint mission. Last summer, for example, the leading Cuban weekly news journal carried an eight-page article on Salyut with a detailed cutaway illustration of the vehicle as a centerfold. Raul intimated that a joint Cuban-Soviet space flight was in the offing, echoing a similar statement made recently by Dr. Jose Altschuler, head of Cuba's Intercosmos Commission. The Cuban leadership seems to have succumbed to the ego-boosting potential of such a joint venture, apparently deciding that the international prestige accruing to Cuba and the domestic shot in the arm that is sure to follow outweigh the possible embarrassment of having Havana's close alignment with Moscow literally written in the sky for all the world to see.

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In Bulgaria

Shortly after arriving in Sofia on 1 March at the invitation of Bulgarian party First Secretary Todor Zhivkov, Raul met with Zhivkov and Defense Minister Army General Dobri Dzhurov to discuss "current international problems" and improving bilateral ties. According to Cuba's weekly journal, one of the main topics of Raul's talks with Dzhurov was an "increase in cooperation" between the Bulgarian and Cuban armed forces. Whatever cooperation currently exists on the bilateral plane between the two military establishments is minimal. The Cubans' visit probably did little to change that. On the other hand, cooperation between the two governments on their assistance to African countries may have been worked out. Zhivkov's trip to Latin America next month was undoubtedly also a subject of discussion.

On 2 March, Raul and his delegation attended ceremonies in Pleven where the Cuban leader, after laying wreaths in appropriate places, was made an honorary citizen of the city. He later visited the "Georgi Benkovski" Air Force Academy at Gorna Mitropoliya and met with local party and government leaders. The following day, he presented a battle flag to a ground forces armored unit, thus repaying the honor that Dzhurov bestowed on a Cuban combat unit during a visit to the Caribbean several years ago. Each country now has a fighting detachment titled "Cuban-Bulgarian Friendship Unit." The Cubans then moved south to Plovdiv where they toured several military units and places of interest before dropping from public view.

Cuba's military journal indicated that the "official" visit to Bulgaria lasted only four days and indeed some of the Cuban military officers in the delegation may have left Bulgaria at that point, leaving Raul and his wife to vacation privately. One of the officers photographed with the delegation in Moscow has since been located in Havana. Raul, however, has surfaced in the press only twice since 4 March, once on the 16th, when he was again received by Zhivkov, and once on the 19th, when he was given a sendoff at Sofia's airport.



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Cuban Diplomatic Relations With African Countries



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Cuba: Diplomatic Blitz [Redacted]

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Since the beginning of the year, Cuba has undertaken yet another massive person-to-person diplomatic campaign using "roving ambassadors" from the Ministry of Foreign Relations and the Ministry of Foreign Trade. For instance, prior to the Nonaligned Coordinating Bureau meeting in Maputo in late January at least seven Cuban delegations were traveling in Africa--the main focus of the effort--and in the Middle East. [Redacted]

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Cuba's diplomatic presence in Africa has increased dramatically since the early 1970s, especially over the last four years. In 1970 Cuba had diplomatic relations with only seven countries on the continent; today it has relations with 36. The Foreign Ministry's budget for 1979 includes plans to open 17 new embassies, even though this requires cutting back on funds for existing embassies and commercial offices. Cuba already has diplomatic relations with 66 of the 88 nonaligned nations, but some of the remaining 22 countries would be good candidates for new embassies. Several have probably been "written off," however, as too conservative or pro-Western, such as those that have spoken out against Cuban military adventurism in Africa. [Redacted]

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The Cuban representatives arrive--sometimes without invitation--carrying a personal invitation from Fidel Castro to the chief of state to attend the nonaligned summit meeting in Havana. The representatives generally bring up the prospect of opening or reopening a Cuban Embassy and ask about exchanging ambassadors. The final item of business is usually an offer of technical assistance or aid projects as well as other benign forms of cooperation that Cuba has instituted with many countries of the Third World. [Redacted]

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26 All these activities have shown mixed results--but not for lack of effort. The following three cases illustrate Cuba's willingness to expend time and energy (though not always with finesse) in order to gain diplomatic relations with as many countries as possible by summit time. [redacted]

Ghana: A Turnaround

4 The Cuban Embassy in Accra has been closed since the 1966 coup that ousted Nkrumah. In January, a visiting Cuban delegation met with the Ghanaian Commissioner of Foreign Affairs and subsequently announced that the Embassy would be reopened. A Cuban Foreign Ministry official arrived in Accra in March to lease office space and locate housing for the Embassy staff. [redacted]
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3 These activities were noticed by Ghanaian officials, who apparently were expecting a more modest representation than the 36-man staff the Cubans planned. The matter finally reached the attention of Chief of State General Akuffo, who was astounded by both the news of the Cubans' imminent return and the intended size of their mission. Approval for the Cubans' return had apparently been given only by the Ministry of Foreign Affairs. [redacted]
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5 General Akuffo ordered a halt to further Cuban preparations, stating that there would be "no expansion of Cuba-Ghana relations" and that "no Cuban Embassy will open in Accra while the military is in power." Akuffo's position reflects the decidedly pro-Western orientation of his regime, which badly needs Western economic assistance. [redacted]
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Togo: A Beginning

The head of the African Directorate of the Cuban Foreign Ministry

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9 [redacted] visited Togo's President Eyadema in mid-January to discuss the nonaligned summit meeting and "the development of relations between our two countries." A few days later, the Havana press reported that Cuba and Togo had decided to establish diplomatic relations and to exchange ambassadors. Although the two countries reportedly signed a communique, the text was not released.

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This development was unexpected because Eyadema had often expressed agitation over the Cuban and Soviet presence in neighboring Benin. The relationship with Cuba will no doubt be a cautious one, although Eyadema probably hopes that Havana will provide much needed economic and technical assistance. Eyadema's inability to make any real progress in solving Togo's serious economic problems has resulted in growing civilian and military dissatisfaction. Press reports suggest that Cuba will offer assistance with fishing and construction, and might also send teachers. Havana may also provide the Togolese leader with a personal security unit, as it has done in such countries as Algeria and Sierra Leone.

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Outlook

The Cubans hope to achieve several objectives from their diplomatic hustling:

- To lend support to Cuba's nonaligned credentials and leadership role as well as to assure a large attendance at the summit.
- To dilute criticism of Cuba's military presence in Africa by having at least some Cuban representation in many African nations of varying political persuasions.
- To demonstrate the "independence" of Cuba's foreign policy.
- To show the United States the futility of its demand for Cuban withdrawal from Angola and Ethiopia as a precondition for normalization of relations because of the many African countries that allow a Cuban presence, albeit a nonmilitary one agreed to by the Africans, for the sake of the various economic and technical benefits they receive.

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Peru: Strikes Create Government-Assembly Friction

A walkout by workers in the vital copper mining industry and a hunger strike by journalists protesting restrictions on free speech have created strains between Peru's military rulers and the Constituent Assembly.

The situation is exacerbated by the absence of Victor Raul Haya de la Torre--the Assembly's president and leader of APRA, the country's largest political party

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If the government leaders become convinced that the assembly's involvement in domestic politics is preventing it from making acceptable progress toward completion of the new constitution, the military could decide to postpone plans for restoring civilian rule by 1980.

Mining Strike

Some 6,000 workers in the Toquepala and Cuajone mines and at the Ilo foundry--all installations of the US-owned Southern Peru Copper Corporation--went on strike for higher wages two weeks ago. The government has declared the strike illegal but the miners, whose trade union is dominated by leftists, have refused to return to work. No violence has been reported, but the situation could get worse if other workers respond to a mine union official's call for a nationwide general strike on 29 March in support of the mine workers.

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The shutdown of the two mines, which produce three-fourths of Peru's copper, is costing the country almost \$2 million daily in foreign exchange. Such costly strikes are not infrequent because Peru's dependence on copper production--which accounts for 25 to 30 percent of total export earnings--makes the industry vulnerable to aggressive labor tactics.

The current strike, however, has an added dimension in that Victor Cuadros, both a leader of the mining union and a member of the Constituent Assembly, was arrested

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for his part in the strike. Although the government turned Cuadros over to the Assembly--which released him and formally protested his arrest--the move raised the issue of the limits of authority of the Assembly; a second Assembly member was detained a week later and the Assembly is expected to release him as well. Whether or not the arrest of an Assembly member is a violation of parliamentary immunity has not been resolved. [redacted]

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Before the election of Assembly delegates last year, President Morales Bermudez stated publicly that the military did not regard the Assembly as sacrosanct. By contrast, Assembly President Haya has specifically insisted that parliamentary immunity must be unlimited. Cuadros has long been a thorn in the military's side, but his arrest has now placed APRA--and especially acting Assembly President Luis Sanchez--in the uncomfortable position of either risking regime displeasure or coming under fire from leftists for yielding to government pressure. For the moment, Sanchez and APRA appear to have chosen the former course. [redacted]

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Journalists' Protest

Parliamentary prerogatives also figure in the three-day hunger strike that four leading Peruvian journalists--soon joined by four others--began on 19 March to protest the continued closure of magazines that had been shut down in January. After their initial arrest and subsequent release, the journalists appealed to the Assembly for asylum while they continued their protest. Acting Assembly President Sanchez finally persuaded them to end their fast and assured government leaders that the journalists would leave the Assembly on 22 March, but some of them apparently are still taking refuge there. [redacted]

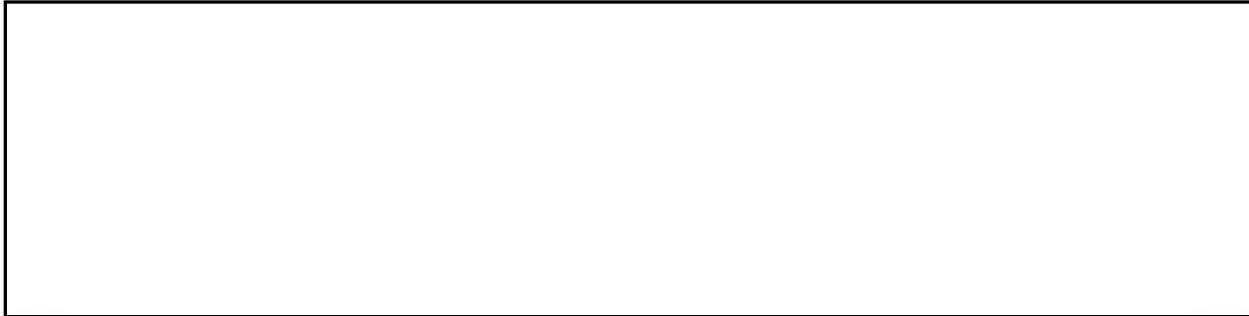
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The Assembly is establishing a commission to negotiate with the government on reopening the magazines, but it is not clear whether such efforts will be successful; earlier attempts by Sanchez to mediate between the government and the journalists failed once the news became public. If progress is not made on restoration of freedom of the press, leftist delegates have threatened to boycott the Assembly and thus delay further debate on the constitution. [redacted]

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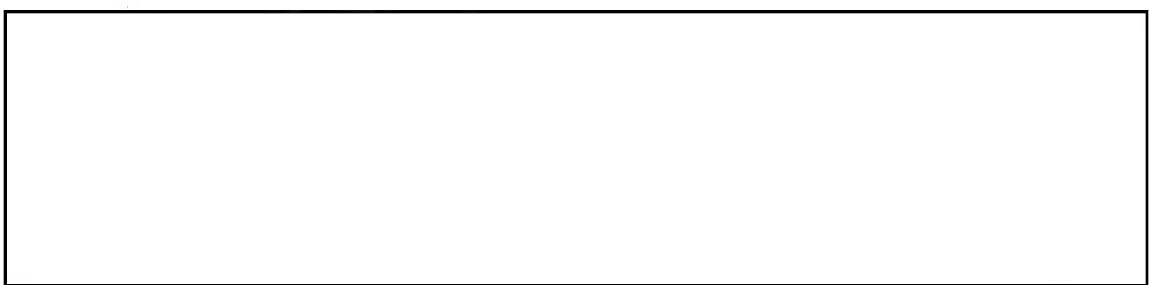
Prospects

4 Peru's military leaders are angry over the recent developments in the Assembly and are said to be especially dissatisfied with the performance of Sanchez. Although a longtime supporter and party colleague of Haya, Sanchez is an elderly man who is almost blind, and he obviously lacks Haya's fine touch for compromise. During the past week, the government-controlled press has sharply criticized the Assembly, pointing out that its actions threaten the democratization process.

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4 Given the military's strong inclination to turn over the government to civilians by 1980, it is unlikely that the regime-Assembly relationship will crack under the present strains. But if the military leaders decide that the Assembly is unable to make reasonable progress toward the new constitution--either because of involvement in side issues or because a leftist boycott prevents the formation of a quorum--the regime may decide to postpone the transfer of power and remain in office for another two or three years.

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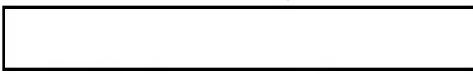
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Venezuela: Labor Unrest Ahead



3 Increasing militancy among workers in both the
public and private sectors, together with a variety of
political and economic pressures, could precipitate a
4 period of serious labor unrest.

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2 The Venezuelan Workers Confederation (CTV), to
which a majority of Venezuela's approximately 5,000
legally recognized unions belong, has traditionally
3 been allied with the opposition Democratic Action Party
(AD) and nine out of 15 CTV board members belong to the
AD. During the Perez administration, there appeared to
4 be a tacit agreement that the confederation would hold
down labor's demands to avoid embarrassing the ruling
party. In return, the party supported such labor ini-
5 tatives as the controversial "unjustified dismissals
laws," which provided for double severance and longev-
ity pay to a worker unjustifiably fired. The law was
bitterly opposed by the Venezuelan Association of
Chambers of Commerce and Industry, which believed it to
be an unwarranted intrusion into the way companies con-
ducted their business.

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1,2,3 Now that the Social Christian Party (COPEI) has
become the ruling party, the prevailing view is that
the CTV may increase its wage and benefit demands.
This expectation is tentative, however, since COPEI's
influence over the labor movement is admittedly weak.
Soon after the election, in fact, a leading COPEI offi-
cial is said to have asked the AD "not to use its unions
as political tools." The response, formulated at a high-
level strategy meeting of AD labor and political leaders
in January, was that the AD-dominated unions would be
"vigilant but not obstructionist." This probably means
that for the time being at least, the CTV would be will-
ing to bargain with COPEI as it did with the AD govern-
ment.

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If such bargaining proves unsatisfactory, however, there could well be increased support for AD Deputy Secretary General Humberto Celli's earlier call for a radical policy of trade union confrontation with the Herrera administration. The AD's planning meeting in January, while agreeing to initial cooperation with the COPEI government, also left room for militant trade union action when required. Most AD trade unionists privately admit that there will be considerably more industrial unrest in the coming months than was the case in the past five years of the Perez administration. [redacted]

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Venezuela's rising cost of living is another factor that could jeopardize the country's labor peace and spur demands for higher wage hikes. Despite a tight cap on prices and increased imports of consumer goods, official statistics show inflation ranging from 7 percent in Caracas to 25 percent in the economic boom region of Guayana. Real wages for blue collar workers apparently have declined in recent years, while there has been an overall increase in white collar wages. [redacted]

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To ward off pressure from the militant left, which has already made inroads in some important labor federations, union leaders who belong to the AD will have to press harder for such radical demands as wages indexed to cost of living increases. About 8,000 union elections will be held this year, and leftist leaders could make significant additional gains if the AD leaves its followers dissatisfied. The interunion rivalry could also spill over into labor-management relations, since over 1,600 labor contracts will expire this year. Venezuelan businessmen are concerned that they may be caught between labor's traditional negotiating demands and the fierce competition among the country's political parties and their trade union affiliates. [redacted]

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